



THE ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

OCT 29 2019

MEMORANDUM FOR THE RECORD

SUBJECT: Block V VIRGINIA Class Submarine Program Multi-Year Procurement Contract

In accordance with 10 U.S.C. § 2306b(a), the head of an agency may enter into multiyear contracts whenever the head of that agency finds subparagraphs (1) through (7) are met. Subparagraphs (1) through (7) are met.

The Department of Defense has determined, based on the requirements in 10 USC 2306b(i) that its certification of the VIRGINIA Class Submarine (VCS) Program Block V multi-year procurement (MYP) contract for Fiscal Years 2019-2023 requires a waiver due to exceptional circumstances for subparagraph (i)(3)(E) regarding sufficient funds being available in the Future-Years Defense Program (FYDP) for the fiscal year in which the contract will be awarded.

This is because the President's Budget (PB) 2020 does not have sufficient full funding in FY 2022 and FY 2023 to execute the MYP contract for two submarines in each of those years without the expectation of a future reprogramming action or modification in a future budget submission notwithstanding that there is sufficient total funding for the MYP contract across the five years.

Therefore, the Navy seeks waiver of subparagraph (E) under subparagraph (i)(6) due to exceptional circumstances. The Navy is ready to award the MYP contract. The Navy negotiated favorable contract pricing and terms, which will expire before any future budget actions can resolve the shortfall in the program funding in FY 2022 and FY 2023 and the contract is for a critical defense program.

My point of contact for this matter is B. Anderson, Deputy Assistant Secretary of the Navy for Ship Programs, (b) (6) .mil; (b) (6) .

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